

Approved July 12, 2007

At the July 12, 2007 Rail Advisory Board meeting, a motion to accept the minutes of the January 5, 2006 meeting was made by Peter Shudtz, seconded by Sharon Bulova and unanimously approved by the Rail Advisory Board members.

Rail Advisory Board Meeting
Forum Room
Science Museum of Virginia
2500 W. Broad Street
Richmond, VA
April 12, 2007

MEMBERS PRESENT:

Sharon Bulova, Chairman
Richard L. Beadles
James Keen
Peter J. Shudtz

Trenton Crewe
Dwight Farmer
Wiley Mitchell, Jr.
Gregory L. Marston

Matthew Tucker, Director, DRPT

MEMBERS ABSENT:

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CALL TO ORDER

The Rail Advisory Board meeting was called to order at 10:03 a.m. by Chairman Bulova. She welcomed Gregory L. Marston to the board, who replaces former board member Jack Quinn and will serve for the remainder of Mr. Quinn's term. Mr. Marston shared that he is from Nottoway County and is the Legislative Director of the International Brotherhood of Teamsters.

ADOPTION OF MEETING AGENDA

Richard L. Beadles, requested the following amendments to the draft agenda: (1) 3rd Track Study – I-95 Passenger Corridor between Washington, D.C. and Richmond, VA and the I-81 Freight Rail Corridor study (2) Discussion on the proposed Resolution for Board Action related to Federal Rail Funding of the 30% match. A motion to accept the April 12, 2007 agenda, as amended, was made by Peter Shudtz and seconded by James Keen. The motion carried without opposition.

ADOPTION OF MINUTES

A motion to accept the January 5, 2007 minutes was made by Mr. Shudtz and seconded by Vice-Chair Trenton Crewe. The motion carried without opposition.

APPROVED

RAIL ENHANCEMENT E-MAIL ADDRESS AND CORRESPONDENCE OF THE BOARD

One e-mail was submitted by Ms. Pamela Williams, constituent. Her comment was that Virginia needs to be more proactive in developing rail and commuter transportation and to double the amount of funding going to public transportation.

The correspondence submitted by Ms. Bulova and Matthew Tucker, DRPT Director, was related to the Board's position on Senate Bill 1348, regarding the 30% contribution requirement under the Rail Enhancement Fund.

PUBLIC COMMENT

Daniel Plaugher, and Lois Walker, Virginians for High Speed Rail, signed up for public comment prior to the meeting. Mr. Plaugher is lobbying for U.S. Senate Bill 294, which would help the railroads in the Commonwealth of Virginia, due to what he feels is a lack of federal leadership for high speed rail.

Ms. Walker indicated that she would like to eliminate the 30% match requirement in the Rail Enhancement Program, whereby localities with limited resources could participate.

NOMINATING COMMITTEE REPORT

The nominating committee which includes Chairman Bulova, Dwight Farmer, Richard Beadles and Peter J. Shudtz recommended Mr. Wiley Mitchell as Chairman on January 11, 2007 at their committee meeting. Mr. Farmer moved to accept the nomination and Ms. Bulova seconded the motion. The motion carried without opposition. She thanked her colleagues for their partnership and leadership and indicated that her final request was to have the board purchase a real gavel for future meetings. Mr. Mitchell and members of the board thanked Ms. Bulova for her leadership and dedication to the board during her chairmanship.

UPDATE ON GENERAL ASSEMBLY SESSION RESULTS

Charles Badger, Director of Public Transportation, DRPT, provided to the Rail Advisory Board an update on the bills before the General Assembly. The bills are HB1746, HB2055, HB2148, HB2164, HB2232, HB2233, HB2234, HJ589, SB1348, SB1389, HB1650 (Bill Item 438) HB1650 Budget (Bill Item 449.10). These bills can be reviewed on the General Assembly website. <http://legis.state.va.us/>

After the legislative update, Director Tucker indicated that future meetings would be held with DRPT stakeholders, where DRPT would address the public transportation funding issue with stakeholders and various entities to let them know where the public transportation dollars are being allocated. Mr. Tucker, as requested by Chairman Mitchell, will also provide an update to the Rail Advisory Board on all projects underway and those completed to-date on July 12, 2007.

APPROVED

DRPT AGENCY STRATEGIC PLANNING INITIATIVE

Mr. Tucker presented an update to the Rail Advisory Board on DRPT's Strategic Planning Initiatives. Mr. Tucker indicated that he will be accompanying AECOM, the consultants, to the Commonwealth Transportation Board next week with key findings on Phase I and Phase 2 of the DRPT Strategic Assessment.

Director Tucker referred to the transmittal letter sent to him by Ms. Bulova on January 5, 2007. The content of the letter indicated that the Rail Advisory Board, by majority vote, formally requested Director Tucker to consider a recommendation from the Board to ask the Secretary of Transportation, through the Governor's Legislative proposal, to amend the current Rail Enhancement Fund (REF) to provide the Agency Director the authority, with concurrence from the Commonwealth Transportation Board, the discretion to waive the 30% match.

Director Tucker responded by correspondence dated January 17, 2007, and stated that he has reviewed the request from the Rail Advisory Board, and has requested DRPT staff to review proposals that we have received that requested REF funds to provide the local match. DRPT staff indicated that there have been no instances that this has occurred. He feels that waiving the 30% match will result in a dilution of REF funds. The \$23M that is available annually falls very short of our rail program needs.

Director Tucker indicated that he will provide the Rail Advisory Board with an update, after he briefs the Commonwealth Transportation Board (CTB) next week, on the organizational restructuring, mission of and goals within DRPT, The Third Track Study and the Six-Year Improvement Program. Other issues of concern are the projection of financial needs over a long period and the rail planning efforts, which are going to begin shortly after this April 12, 2007 meeting.

Board Discussion

Mr. Beadles indicated that he understood that Karen Rae, former Director of DRPT, suggested that some FY2000 funding had been placed on hold pending the outcome of other studies. Director Tucker responded that there are no MOU Projects on hold. All funding has been expended and all MOU projects that have provided over \$65M in investment for the I-95 corridor were funded at 100% without any match.

Mr. Beadles requested that Director Tucker revisit the Main Street Station projects, along with Kevin Page and CSX, to investigate the passenger rail issues and identify why the improvement work has stopped. Director Tucker indicated he will provide a detailed response to the Rail Advisory Board on July 12, 2007. Mr. Beadles indicated that he is not satisfied with the progress of the Main Street Station improvements.

Mr. Tucker was asked to provide clarification on a bulleted item under the Transit Sustainability Policy Document slide which states *"Develop a process to establish the governance structure necessary to fund, build, and operate the service necessary and capital improvements prior to the investment of public funds – shared risks and benefits"*.

APPROVED

Mr. Tucker provided the clarification that there is a major concern over what the governance structure should look like and what the role of the Commonwealth should be.

Ms. Bulova indicated that DRPT is proposing the establishment of a Transit Strategic Advisory Committee and a Congestion Management Advisory Committee and that a list of stakeholders has been provided. The Director would like to see the two committees as ad-hoc committees. Ms. Bulova would like the Agency Director to report back to the board the progress on the establishment of the ad-hoc committees.

Chairman Mitchell referred back to Mr. Badger's Legislative Report, regarding the \$65M infusion of money into the REF for the I-95 corridor improvements. The \$65M is not solely for the I-95 corridor. It contains funds to complete the MOU projects and then the remainder is to complete projects from Manassas to Front Royal in the I-81 Corridor. Current assessments indicate that no more than \$20M is needed to complete I-95 Corridor projects, so that \$45M should be allocated to the I-81 Corridor. Norfolk Southern will pay the 30% match, yet it is not an issue as the cost of the project is significantly higher than the dollars that the Commonwealth is investing.

Ms. Bulova indicated that at the last session of board, prior to last General Assembly session, the board voted to endorse legislation that would eliminate the 30% match in some cases. The bill was introduced into legislation, yet it died in Senate Transportation Committee. Explanation of opposition was requested from Mr. Mitchell. Mr. Tucker responded that the 30% issue will be revisited in the future and that he is looking for a proposal that works across the board. Ms. Bulova shared with the board that Whitt Clement, former Secretary of Transportation, felt very strongly that there should be a 30% match, when the Board and Rail Enhancement Fund were first established.

Both Chairman Mitchell and Mr. Beadles commended Director Tucker on his leadership in handling the challenges of DRPT and his Agency Strategic Planning Initiatives. Director Tucker indicated he would brief the board at the July 12, 2007 meeting on the seven plans in the Master Planning Schedule.

DRPT STRATEGIC RAIL INITIATIVES

Kevin Page, Director of Rail Transportation, provided an update on the DRPT Strategic Rail Funding Initiatives. (1) the Rail Industrial Access Fund, enacted in 1987 on behalf of General Assembly and not mirrored by any other states, provides \$6.6M funding for industrial sidetracks; (2) the Rail Preservation Program, enacted in 1991, provides \$3M for preservation of short-line railroads; (3) the Rail Enhancement Fund, enacted in 2005, provides funds for passenger and freight service; (4) VTA2000 Funds, provides \$65M for rail improvements to benefit passenger rail in Washington, D.C. to Richmond, VA corridor.

APPROVED

An overview of DRPT's strategic rail planning initiatives under development was presented. A committee will be established to ensure that rail stakeholders have an opportunity to comment on DRPT's strategic planning initiatives for rail. Additional information will be available at the July 12, 2007 Rail Advisory Board meeting.

Board Discussion

Mr. Beadles suggested that in the Overview of Rail Funding Initiatives (2) the word "sponsor" (intended to be reflective of an organizational sponsor) be substituted for the word "champion". Mr. Page indicated he would take the language change request under consideration.

I-95 RAIL CORRIDOR MOU PROJECTS

Mr. Page updated the Board on the I-81 freight rail corridor study and I-95 passenger corridor development. The Federal Highway Administration (FHWA) solicited proposals for the Corridors for the Future Program (CFP). USDOT accepted the three proposals that were submitted for the I-95 corridor in Virginia: (1)I-95 Corridor Coalition Application; (2)CSX Corridors of the Future Proposal – To Miami from points north; and (3)Tolling applications submitted by Virginia, North Carolina, South Carolina, Georgia and Florida. The leads for each proposal discussed the proposals among themselves and agreed that, considering the short time frame, each group would more fully develop its own proposal and cross reference the others. All are currently preparing the second application and drafts are not yet available.

Chairman Mitchell has requested a status update, at each meeting, of all projects that have been approved. Kevin Page, Director of Rail Transportation, agreed to provide the requested status updates.

The Rail Advisory Board adjourned for lunch at 12:17 p.m. and reconvened at 1:04 p.m.

I-81 RAIL CORRIDOR PROJECT DEVELOPMENT

Kevin Page provided a brief update on the I-81 Freight Rail Study. He indicated that after the October 2006 CTB meeting, DRPT and the Multimodal Transportation Planning Office engaged in a cooperative study agreement effort with Norfolk Southern (NS) to have Woodside Consulting_Services study the NAFTA Corridor for I-81 for business for NS. DRPT, through the Multimodal Office, is working with Cambridge Systematics as the Commonwealth's contractor to work with Woodside Consulting Services, validate their results and develop a 60% truck diversion plan on the I-81 corridor. The Truck Diversion Study is advancing and they are working to define "through trucks". The General Assembly identified a portion of the \$65M, which was set out in the Appropriations Act, to be shared for the MOU projects and Richmond area improvements. The remaining funds will be applied to the I-81 improvements, as defined through the DRPT study of 2003, and be concentrated in the Front Royal and Manassas area. Mr. Page explained the Tier 1 and Tier II analysis.

APPROVED

VIRGINIA RAILROAD ASSOCIATION PRESENTATION

Bob Bryant, representative for the Virginia Railroad Association, presented information on shortline railroads operating in the Commonwealth. Out of ten existing shortline members, seven are owned by CSX or Norfolk Southern. Shortline railroad revenue last year was \$424M.

Mr. Bryant indicated that an alternative minimum tax has been imposed by the federal government that makes it difficult for grantees to qualify for federal railroad tax credits.

Chairman Mitchell indicated that the procedure to apply for grant-funded projects would be to submit the proposal to the Agency Director and if approved, the grant applicant would provide the 30% match to fund the project.

The three rail funding programs that DRPT offers are the Rail Enhancement Fund, the Rail Preservation Fund, and the Rail Industrial Access Fund. Mr. Page indicated that all funds have been allocated for FY2007.

For additional information on the Virginia Railroad Association, visit www.varail.com.

OVERVIEW OF INFORMATIONAL ITEMS

Mr. Page provided an overview of the following informational items provided to the Board in their notebooks.

A current oversize (7 feet x 3 feet) draft copy of the Rail Map was displayed during the meeting. Mark Wittkofski, Rail Passenger Engineer, DRPT, has coordinated the project and the next folded true size copy of the map will be available at the July 12, 2007 for review.

OTHER BUSINESS OF THE BOARD

The two items that Richard L. Beadles requested to be added to the agenda were discussed:

Richard Beadles spoke on the Third Track Right of Way in the Washington, D.C. to Richmond Corridor and distributed a map for reference purposes, which included the Hampton Roads Corridor. He referred the Board to the statement at the bottom of the map which states, "The Chesapeake Corridor, connecting Baltimore, D.C. Richmond and Hampton Roads is the fifth ranked corridor by total population". This means that, according to the census, the nineteen megapolitan areas shown on the map represent approximately 60% of the U.S. population. He indicated that the word "Megapolitan" was a term created by Robert Lang, in the publication "Beyond Megapolis", published by the Virginia Tech Metropolitan Institute. Contact Railva@WcRichmond.Org for additional information.

APPROVED

Mr. Beadles submitted a draft resolution as a motion for consideration by the Board, to have them go on record in support of federal passenger rail legislation.

Mr. Tucker made a request to have the resolution revisited at the July 12, 2007 meeting. This request by the Agency Director was echoed by Chairman Mitchell, who requested that Director Tucker review the resolution and give the Board his response with the understanding that the Board could meet prior to July 12, 2007, if necessary, to prevent further delay. Mr. Beadles concurred.

There being no further business before the Board, the meeting was adjourned at 2:07 p.m.